



Panama-Buena Vista Union School District

2024 Fee Justification Study
February 14, 2024

KOPPEL & GRUBER
PUBLIC FINANCE

334 Via Vera Cruz, Suite 256

San Marcos, California 92078

760-510-0290

info@kgpf.net

Panama-Buena Vista Union School District
4200 Ashe Road
Bakersfield, CA 93313
661.831.8331

TABLE OF CONTENTS

Executive Summary	3
Section I. Legislation and Legal Requirements.....	6
Section II. Projected Unhoused Students and Estimated Facility and Per Student Costs.....	8
A. School District Capacity and Student Enrollment.....	8
B. Projected Unhoused Students	9
C. Facility Needs and Estimated Per-Student Costs.....	11
Section III. Projected Impact of Residential Development.....	13
Section IV. Commercial/Industrial School Impact Analysis	14
A. Employee Generation	14
B. Residential Impact	15
C. Net Impact per Commercial/Industrial Square Foot	16
D. Commercial/Industrial Development Not In Prescribed Categories.....	19
E. Age-Restricted (Senior) Housing	19
Section V. Redevelopment	21
Section VI. Government Code 66000.....	22

APPENDICES

- Appendix A – Commercial/Industrial Development Descriptions
- Appendix B – Facilities Capacity Update
- Appendix C – Enrollment Summary
- Appendix D – District-Wide Student Generation Rates
- Appendix E – Estimated School Facilities Costs

EXECUTIVE SUMMARY

Education Code Section 17620 authorizes the governing board of a school district to levy school fees to offset the impacts to school facilities from new residential and commercial/industrial construction and reconstruction. In order to levy Level I fees (statutory fees), a school district must prepare and adopt a fee justification study pursuant to the provisions of Education Code Section 17620 and Sections 65995 and 66001 of the Government Code. The fee justification study serves as the basis for justifying the levy of Level I fees and presents and documents the nexus findings required by State law.

This Fee Justification Study (“Study”) has been prepared for the Panama-Buena Vista Union School District (“School District”) to demonstrate the relationship between new residential and commercial/industrial development and the School District’s need for the construction of school facilities, the cost of the school facilities, and the per square foot amount of Level I fees (“School Fees”) that may be levied by the School District on residential and commercial/industrial development in accordance with applicable law.

The State Allocation Board (“SAB”) reviews and may adjust the maximum authorized School Fees every January in even-numbered years. The SAB increased the Level I fee on January 24, 2024 and the maximum School Fees authorized by Education Code Section 17620 are currently \$5.17 per square foot for residential construction/reconstruction and \$0.84 per square foot for commercial/industrial construction for unified school districts.

The School District serves areas within the City of Bakersfield (“City”) and portions of unincorporated Kern County (“County”) and provides education for transitional kindergarten (TK) through eighth grade. Pursuant to Education Code Section 17623(a), {the School District, as a nonunified school district sharing common jurisdiction with other nonunified school district(s), entered into a school facilities fee allocation agreement with the Kern High School District. The agreement specifies the percentage of the maximum School Fees that may be levied and collected by each school district. According to the agreement, approximately sixty-five percent (65%) of the maximum School Fees may be charged and collected by the School District, or \$3.36 and \$0.55 for residential and commercial/industrial development, respectively. Based on the findings presented in this Study, the School District is justified in collecting its portion of the maximum residential and commercial/industrial School Fees¹. The findings are summarized as follows:

RESIDENTIAL DEVELOPMENT

New residential development in the School District is projected over the next ten (10) years and beyond. Based on student generation rates determined for the School District, new residential development could generate an estimated 1,561 new students over the next ten (10) years. The projected student enrollment supports the need for the construction of additional school facilities and/or expansion of facilities at existing sites. The school facilities cost impact per residential square foot as determined in this Study are shown in Table E-1.

¹ Except for the new commercial/industrial development categorized as Rental Self-storage facilities, as further described in this Study.

TABLE E-1
**Residential School Facilities Cost Impact/
 Applicable Residential School Fee Per Square Foot**

Impact Per Square Foot	Applicable Residential School Fee Per Square Foot
\$7.72	\$3.36

The cost impact per square foot of residential construction/reconstruction shown in Table E-1 is greater than the School District’s share of the current maximum authorized residential School Fee, which is \$3.36 per square foot; therefore, the School District is reasonably justified in levying statutory Level I school fees in an amount up to but not exceeding \$3.36 per square foot (the “Applicable Residential School Fee”).

COMMERCIAL/INDUSTRIAL DEVELOPMENT

As commercial/industrial properties develop, new jobs are created. Many of the employees working at the new jobs will move into the School District boundaries, thereby increasing the need for new residential development and further impacting the School District’s facilities. Additionally, many employees living outside of but working at new jobs within the School District boundaries will enroll students on an inter-district basis. School Fees may be imposed on commercial/industrial development if the school fees collected on residential development are insufficient to provide adequate school facilities for students generated as a result of new development and nexus findings are presented that justify the imposition of the commercial/industrial school fee.

Section 17621(e)(1)(B) of the Education Code requires that the Study determine the impact of the increased number of employees anticipated to result from commercial/industrial development upon the cost of providing school facilities within the School District. This code section further adds that employee generation estimates shall be based on the applicable employee generation estimates set forth in the January 1990 edition of “San Diego Traffic Generator Study” (“Traffic Study”), a report by San Diego Association of Governments (“SANDAG”). The school facilities cost impacts per commercial/industrial square foot as determined in this Study are shown in Table E-2 by commercial/industrial land use type (each commercial/industrial category is further described in Appendix “A”).

The cost impacts per square foot for each category of commercial/industrial construction are equal to or exceed \$0.55 per square foot, the School District’s maximum authorized School Fee per square foot applicable to new commercial/industrial development, except for Rental Self-Storage where a School Fee of \$0.27 per square foot is justified (“Applicable Commercial/Industrial School Fees”). Therefore, except for Rental Self-Storage development, the School District is fully justified in levying commercial/industrial School Fees on new commercial/industrial development in an amount up to but not exceeding the Applicable Com/Ind School Fees. The Applicable Commercial/Industrial School Fees that may be charged by the School District are summarized in Table E-2.

**TABLE E-2
Commercial/Industrial School Facilities Cost Impacts/ Applicable School Fees**

Commercial/Industrial Category	Impact Per Square Foot	Maximum Applicable School Fees
Banks	\$11.77	\$0.55
Community Shopping Center	\$6.39	\$0.55
Neighborhood Shopping Center	\$11.66	\$0.55
Industrial Business Parks	\$14.64	\$0.55
Industrial Parks/Warehousing/Manufacturing	\$5.61	\$0.55
Rental Self-Storage	\$0.27	\$0.27
Research & Development	\$12.67	\$0.55
Hospitality (Lodging)	\$4.72	\$0.55
Commercial Offices (Standard)	\$19.95	\$0.55
Commercial Offices (Large High Rise)	\$18.93	\$0.55
Corporate Offices	\$11.18	\$0.55
Medical Offices	\$17.77	\$0.55

SECTION I. LEGISLATION AND LEGAL REQUIREMENTS

This section discusses the legislative history of the Level I Fee.

Assembly Bill (“AB”) 2926 enacted by the State in 1986, also known as the “1986 School Facilities Legislation” granted school districts the right to levy fees in order to offset the impacts to school facilities from new residential and commercial development. Originally set forth in Sections 53080 and 65995 of the Government Code, AB 2926 authorized statutory school fees to be levied, commencing January 1, 1987, in the amount of \$1.50 per square foot of new residential assessable space and \$0.25 per square foot of enclosed commercial or industrial assessable space. AB 2926 also provided for an annual increase of the statutory fees based on the Statewide cost index for Class B construction, as determined by the SAB. The provisions of AB 2926 have since been amended and expanded.

AB 1600 was enacted by the State legislature in 1987 and created Government Code Sections 66000 *et seq.* These sections require a public agency to satisfy the following requirements when establishing, increasing or imposing a fee as a condition of approval for a development project:

1. Determine the purpose of the fee;
2. Identify the use to which the fee is to be put;
3. Determine how there is a reasonable relationship between the fee’s use and the type of development project on which the fee is imposed;
4. Determine that there is a reasonable relationship between the need for the public facilities and the type of development project on which the fee is imposed;
5. Determine that there is a reasonable relationship between the amount of the fee and the cost, or portion of the cost of the public facility attributable to the development on which the fee is imposed; and
6. Provide an annual accounting of any portion of the fee remaining unspent or held for projects for more than five (5) years after collection.

AB 181, enacted in 1989, established new requirements for school districts levying school fees and also re-codified Government Code Section 53080 *et seq.* as Education Code Section 17620 *et seq.* The additional provisions established by AB 181 imposed more stringent nexus requirements which must be satisfied by school districts prior to levying school fees, especially with respect to commercial/industrial school fees. Additionally, AB 181 provided that the maximum school fees for residential and commercial/industrial development be subject to an increase every two (2) years rather than annually.

In 1998, Governor Wilson signed into law Senate Bill 50 (“SB 50”), the Leroy F. Greene School Facilities Act of 1998, which reformed State’s School Building Program and developer school fee legislation. A significant provision of SB 50 provides school districts the option of adopting alternative school fees (also known as Level II and Level III fees) in excess of the Level I fee upon meeting certain requirements. SB 50 also placed a \$9.2 billion State Bond measure on the November 3, 1998 ballot (Proposition 1A). With the passage of Proposition 1A in November 1998, SB 50 became operative.

SB 50 also limited the power of cities and counties to require mitigation of school facilities impacts as a condition of approving new development and suspended the court cases known as Mira-Hart-Murrieta. The Mira-Hart-Murrieta cases previously permitted school districts to collect mitigation fees in excess of school fees under certain circumstances.

On November 5, 2002, California voters passed Proposition 47, which authorized the issuance of \$13.05 billion in State bonds and also enacted AB 16, which provided for additional reformation of the School Building Program. AB 16, among other items, clarified that if the SAB is no longer approving apportionments for new construction due to the lack of funds available for new school facilities construction, a school district may increase its Level II Fee to the Level III Fee. With the issuance of the State bonds authorized by the passage of Proposition 47, this section of AB 16 became inoperable.

Furthermore, Proposition 55 was approved on March 2, 2004, which authorized the sale of \$12.3 billion in State bonds. In addition, California voters approved Proposition 1D in the general election held on November 7, 2006. Proposition 1D authorized the issuance of \$10.4 billion in State bonds.

California voters approved Proposition 51 (the California Public School Facility Bonds Initiative) in the general election held on November 8, 2016, authorizing the issuance of \$9 billion in bonds to fund the improvement and construction of school facilities for K-12 schools and community colleges.

SECTION II. PROJECTED UNHOUSED STUDENTS AND ESTIMATED FACILITY AND PER STUDENT COSTS

The objective of this Study is to determine if a nexus exists between future residential and commercial/industrial development and the need for school facilities. In addition, the Study aims to identify the costs of such required school facilities and determine the amount of School Fees that can be justifiably levied on residential and commercial/industrial development according to the estimated impacts caused by such development. This section evaluates whether existing school facilities can accommodate students generated from future residential development, projects student enrollment based on anticipated residential growth, and estimates the costs of school facilities required to accommodate new residential growth. The findings determined in this section are used in following sections to evaluate the cost impact per square foot for new residential and commercial/industrial property. Although many of the figures in this section are primarily derived from residential development projections and impacts, they are adjusted in Section IV. to evaluate the impact of commercial/industrial development.

A. SCHOOL DISTRICT CAPACITY AND STUDENT ENROLLMENT

The School District’s existing school facilities capacity and student enrollment were evaluated in order to determine if there is available capacity to house students generated by new residential and commercial/industrial development.

The School District currently operates twenty (20) elementary schools and five (5) junior high schools. Per Education Code Section 17071.10, these facilities have a capacity to accommodate 18,470 students. Pursuant to Education Code Section 17071.30, portable classrooms were not included in the calculation to the extent they are (i) leased through the State Relocatable Classroom Program, (ii) leased for a period of less than five (5) years, (iii) leased when needed as interim housing (project basis), or (iv) represent the number of portables that exceed 25% of the School District’s permanent classrooms. Appendix “B” provides a calculation of the updated facility capacity. It should be noted these capacities are driven by State loading standards and do not necessarily reflect the School District’s program goals or the condition of such facilities.

Based on Student Enrollment Data as of October 2023, the student enrollment of the School District is 19,370 students. A summary of the student enrollment data is included in Appendix “C”. Current available capacity is calculated by subtracting current student enrollment from existing school facilities capacity for each school level. This operation results in a deficit capacity at all school levels. The available capacity calculation is shown in Table 1.

**TABLE 1
Facilities Capacity and Student Enrollment**

School Level	Existing Facilities Capacity	Student Enrollment (October 2023)	Available/ (Deficit) Capacity
Elementary School	14,123	14,848	(725)
Junior High School	4,347	4,522	(175)
Total	18,470	19,370	(900)

B. PROJECTED UNHOUSED STUDENTS

1. Projected Residential Units

To estimate projected residential unit growth over the next ten (10) years, Koppel & Gruber Public Finance (“K&G Public Finance”) obtained and compiled information from the City of Bakersfield (“City”) Planning Division and the City Building Division, including, but not limited to: (i) a list of residential projects planned, approved and under construction, and (ii) building permit records. Such information was used to project residential development for areas within each planning jurisdiction by housing type. Based on the information, it is estimated the School District could experience the development of an estimated 3,800 residential units over the next ten (10) years (“Projected Units”).

The types of residential units considered include:

- (i) **Single family detached (“SFD”)** – dwelling units with no common walls and assigned an individual and separate assessor’s parcel;
- (ii) **Multi-family attached (“MFA”)** – dwelling units which share a common wall (e.g. townhouses, condominiums, apartments, duplexes, triplexes, etc.).

It should be noted that Mobile homes² are not included in this analysis.

TABLE 2
Projected Units by Residential Category

Residential Category	Projected Units
Single-Family Detached (SFD)	3,559
Multi-Family Attached (MFA)	241
Total	3,800

2. Student Generation Rates

In order to calculate student generation rates (“SGRs”), K&G Public Finance first obtained property characteristic/GIS data and residential building permits data from the City as of October 2023. Parcels in the data file were classified by unit type (SFD and MFA) and residential parcels constructed during the past five (5) years³ were extracted. It should be noted that no residential properties were constructed within areas of the County that are also served by the School District within the previous five (5) years other than those within the City.

K&G Public Finance then obtained a student database from the School District, which contained the school attended, grade level and physical address information for each student enrolled in the School District. The student database is reflective of student

² Education Code Section 17625 sets forth the prerequisites that must be met before school districts may levy school fees on mobile homes. Since it is often difficult to determine and make projections relating to mobile homes that meet those requirements, the mobile home category is omitted from this Study.

³ Permit information on or after August 1, 2018 and prior to August 1, 2023 was taken into account, so as to maintain consistency with the CBEDS data provided as of October 2023, under the assumption that four months is a reasonable margin to build and sell a home post-permitting.

enrollment information as of October 2023. The student enrollment address information was matched to the address (situs address) information of parcels in the historical permit database. The number of students matched was then queried by school level and residential category. Table 3 provides a summary of the SGRs by school level and residential category. A more detailed analysis of the SGR determinations is contained within Appendix “D”.

**TABLE 3
Student Generation Rates**

School Level	SFD Units	MFA Units
Elementary School	0.3513	0.0741
Junior High School	0.0816	0.0139
Total	0.4329	0.0880

3. Projected Student Enrollment

Projected student enrollment was determined by multiplying the SGRs in Table 3 by the number of Projected Units as shown in Table 2. A total of 1,561 students are estimated to be generated from Projected Units. The projected student enrollment is summarized by school level in Table 4.

**TABLE 4
Projected Student Enrollment by School Level**

School Level	Total Projected Students
Elementary School	1,268
Junior High School	293
TOTAL	1,561

4. Projected Unhoused Students

As shown in Table 1, deficit capacity exists at all school levels. Therefore, no seats are deemed available to house Projected Student Enrollment and the number of Projected Unhoused Students is equal to Projected Student Enrollment. Table 5 shows the determination of Projected Unhoused Students by school level.

**TABLE 5
Projected Unhoused Students**

School Level	Total Projected Students	Available Seat Adjustment	Projected Unhoused Students
Elementary School	1,268	0	1,268
Junior High School	293	0	293
Total	1,561	0	1,561

C. FACILITY NEEDS AND ESTIMATED PER-STUDENT COSTS

1. Facilities Needs

The Projected Unhoused Students shown in Table 5 demonstrate the need for the construction/reconstruction of additional school facilities and/or expansion of existing school facilities. The School District has determined that future school facilities will be designed to accommodate a capacity of 1,104 students at the TK-8 school level. Utilizing the expected future school facilities design capacity, approximately 1.4 TK-8 site(s) are required to accommodate the Projected Unhoused Students.

Table 6 summarizes the estimated cost to the School District of providing new school facilities per school level. A land appraisal prepared for the School District by Valbridge Property Advisors and dated August 8, 2022 (the “Land Appraisal”) is used in the determination of the appropriate site acquisition cost per acre for all school levels. The subject of the Land Appraisal is a 40-acre site for the construction of a future school located along the east side of Stine Road, south of Taft Highway (“Antongiovanni Property”). The Land Appraisal estimates the value of the property at \$1,600,000 (\$40,000 per acre). An additional four percent (4%) is applied for allowable costs pursuant to Section 1859.74 of the Regulations for appraisals, surveys, site testing, CDE review/approval and preparation of the POESA and PEA.

It is important to note that estimated facilities costs determined herein do not include costs for remodel or modernization projects at the School District’s existing sites. Moreover, the estimated facilities costs summarized below do not include costs associated with the acquisition and installation of interim facilities that might be needed to house students as the future projects are in process. The need for such interim housing will be dependent on the timing and phasing of the projects and School District enrollment at that time.

Table 6
Estimated Facilities Costs Per School Level

School Level ¹	Estimated Acquisition Site Costs ²	Estimated Facilities Construction & Soft Costs	Total Estimated School Facilities Costs
TK-8 School	\$669,760	\$43,057,200	\$43,726,960

¹ The School District has determined that future school facilities will be designed to accommodate grades transitional kindergarten through 8 (“TK-8 School”).

² Assumes a site acreage of 16.1 acres for TK-8 School as determined under the guidelines of the State Department of Education as published in the “School Site Analysis and Development Handbook” as of January 1, 1998, and an estimated cost of \$41,600 per acre plus estimated costs for appraisals, surveys, and escrow/title.

³ Construction costs are estimated to be \$475 per square foot and assumes 75 square feet per student.

2. Estimated Cost Per Student

The estimated Cost per Student for each school level is determined by dividing the Total Estimated School Facilities Costs shown in Table 6 by the expected TK-8 design capacity of 1,104 students. The Facilities Cost Impact per student calculation is shown in Table 7.

TABLE 7
Estimated Facilities Costs Per Student

School Level	Total Estimated Facilities Costs	School District TK-8 Future Design Capacity	Facilities Cost Impact Per Student
TK-8 School	\$43,726,960	1,104	\$39,608

SECTION III. PROJECTED IMPACT OF RESIDENTIAL DEVELOPMENT

The following sections present the school facility impact analysis for new residential development and provide step-by-step calculations of the estimated per residential square foot cost impact.

To determine the school facilities cost impact per square foot of residential development, first the Projected Unhoused Students determined in Table 5 were multiplied by the Total Facilities Cost Impact Per Student as determined in Table 7. The result of this computation is shown in Table 8 and reflects the estimated school facilities cost impact to house Projected Unhoused Students.

**TABLE 8
Total Facilities Cost Impact**

School Level	Facilities Cost Impact Per Student	Projected Unhoused Students	Facilities Cost Impact
TK-8 School	\$39,608	1,561	\$61,828,088

The total school facilities impact shown in Table 8 above was then divided by the number of Projected Units shown in Table 2 to determine the school facilities cost per residential unit. The cost per residential unit is shown in Table 9.

**TABLE 9
School Facilities Cost per Residential Unit**

Total Facilities Cost Impact	Projected Units	Facilities Cost Impact Per Residential Unit
\$61,828,088	3,800	\$16,271

The school facilities cost impact per residential square foot is calculated by dividing the school facilities cost per residential unit determined in Table 9 by the weighted average square footage of a residential unit. This calculation is shown in Table 10. A review of the past five years of building permit records obtained from the City was used to estimate the weighted average square footage.

**TABLE 10
School Facilities Cost per Residential Square Foot**

Facilities Cost Impact Per Residential Unit	Weighted Average Square Footage	Facilities Cost Per Residential Square Foot
\$16,271	2,109	\$7.72

The school facilities impact per residential square foot determined in Table 10 is greater than the School District’s share of the current maximum authorized residential School Fees of \$3.36 per square foot; therefore, the School District is justified in levying up to but not exceeding the maximum authorized amount for residential construction and reconstruction.

SECTION IV. COMMERCIAL/INDUSTRIAL SCHOOL IMPACT ANALYSIS

The following section presents the school facilities impact analysis for new commercial/industrial development and provides a step-by-step calculation of the estimated per commercial/industrial square foot cost impacts.

A. EMPLOYEE GENERATION

In the course of making the nexus findings to justify School Fees levied on commercial/industrial development, Education Code Section 17621(e)(1)(B) requires that the Study determine the impact of the increased number of employees anticipated to result from commercial/industrial development upon the cost of providing school facilities within the School District. As mentioned in the Executive Summary, for purposes of making such determination this code section further sets out that the employee generation estimates be based on the applicable estimates set forth in the Traffic Study published by SANDAG.

The employee generation estimates per 1,000 square feet of development derived from the Traffic Study are listed by commercial/industrial land use category in Table 11. The land use categories listed are based on those categories described in the Traffic Study and include all land uses recommended by the provisions of Education Code Section 17621(e)(1)(B).

TABLE 11
Employee Generation per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Average Square Footage per Employee	Employees Per 1,000 Square Feet
Banks	354	2.8253
Community Shopping Center	652	1.5348
Neighborhood Shopping Center	357	2.7985
Industrial Business Parks	284	3.5156
Industrial Parks/Warehousing/Manufacturing	742	1.3473
Rental Self-Storage	15,541	0.0643
Research & Development	329	3.0408
Hospitality (Lodging)	883	1.1325
Commercial Offices (Standard)	209	4.7897
Commercial Offices (Large High Rise)	220	4.5442
Corporate Offices	372	2.6848
Medical Offices	234	4.2654

Source: San Diego Traffic Generator Study, January 1990 Edition; SANDAG.

B. RESIDENTIAL IMPACT

1. Households

To evaluate the impact of commercial/industrial development on School District facilities, the employee generation estimates listed in Table 11 were first used to determine the impact of commercial/industrial development on a per household basis. Based on information derived from U.S. Census Bureau data⁴, there are approximately 1.32 employed persons per household on average for households located within the School District. Dividing the employee generation estimates listed in Table 11 by 1.32 results in the estimated number of households per 1,000 square feet of commercial/industrial development (“Total Household Impact”).

The Total Household Impact determined in the preceding paragraph takes into consideration all employees generated from commercial/industrial development. Since some of those employees will live outside the School District and will therefore have no impact on the School District, the figures are adjusted to reflect only those households within the School District occupied by employees generated from commercial/industrial development built within the School District. Based on information derived from U.S. Census Bureau data⁵, it is estimated that approximately 70.1% of employees both live and work within the School District. Multiplying the Total Household Impact by 70.1% results in the households within the School District impacted per 1,000 square feet commercial/industrial development. The results of these computations are shown in Table 12.

TABLE 12
Impact of Commercial/Industrial Development on
Households within the School District

Commercial/Industrial Category	School District Households per 1,000 Square Feet Com./Ind.
Banks	1.5004
Community Shopping Center	0.8151
Neighborhood Shopping Center	1.4862
Industrial Business Parks	1.8670
Industrial Parks/Warehousing/Manufacturing	0.7155
Rental Self-Storage	0.0341
Research & Development	1.6148
Hospitality(Lodging)	0.6014
Commercial Offices (Standard)	2.5436
Commercial Offices (Large High Rise)	2.4132
Corporate Offices	1.4258
Medical Offices	2.2652

⁴ 2022 American Community Survey 5-Year Estimates; DP04-Selected Housing; DP03-Economic Characteristics (Civilian Employed).

⁵ 2022 American Community Survey 5-Year Estimates; S0801-Commuting Characteristics (Work in place of residence).

2. New Household Student Generation

The student generation impacts per 1,000 square feet of commercial/industrial development were calculated by multiplying the household impacts shown in Table 12 by blended student generation rates determined for each school level. The result of this calculation is shown in Table 13. The determination of student generation rates are shown and described in Appendix “D” of this Study.

TABLE 13
Student Generation per 1,000 Square Feet of
Commercial/Industrial Development

Commercial/Industrial Category	Elementary School Student Generation	Junior High School Student Generation	Total Student Generation
Banks	0.5007	0.1160	0.6167
Community Shopping Center	0.2720	0.0630	0.3350
Neighborhood Shopping Center	0.4959	0.1149	0.6108
Industrial Business Parks	0.6230	0.1443	0.7673
Industrial Parks/Warehousing/ Manufacturing	0.2388	0.0553	0.2941
Rental Self-Storage	0.0114	0.0026	0.0140
Research & Development	0.5389	0.1248	0.6637
Hospitality (Lodging)	0.2007	0.0465	0.2472
Commercial Offices (Standard)	0.8488	0.1966	1.0454
Commercial Offices (Large High Rise)	0.8053	0.1865	0.9918
Corporate Offices	0.4758	0.1102	0.5860
Medical Offices	0.7559	0.1751	0.9310

C. NET IMPACT PER COMMERCIAL/INDUSTRIAL SQUARE FOOT

1. Cost Impact

To estimate the school facilities costs required to house new students as a result of additional commercial/industrial development, the Facilities Cost Impact per Student determined in Table 7 (\$39,608) is multiplied by the student generation impacts calculated in Table 13, resulting in the total school facilities cost impact per 1,000 square feet of commercial/industrial development. The total school facilities cost impacts are shown in Table 13 by commercial/industrial development category and school level.

TABLE 14
School Facilities Costs per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Elementary School Impact	Junior High School Impact	Total Cost Impact
Banks	\$19,832	\$4,595	\$24,427
Community Shopping Center	\$10,773	\$2,495	\$13,268
Neighborhood Shopping Center	\$19,642	\$4,551	\$24,193
Industrial Business Parks	\$24,676	\$5,715	\$30,391
Industrial Parks/ Warehousing/Manufacturing	\$9,458	\$2,190	\$11,648
Rental Self-Storage	\$452	\$103	\$555
Research & Development	\$21,345	\$4,943	\$26,288
Hospitality (Lodging)	\$7,949	\$1,842	\$9,791
Commercial Offices (Standard)	\$33,619	\$7,787	\$41,406
Commercial Offices (Large High Rise)	\$31,896	\$7,387	\$39,283
Corporate Offices	\$18,845	\$4,365	\$23,210
Medical Offices	\$29,940	\$6,935	\$36,875

2. Residential Fee Offsets

New commercial/industrial development within the School District will generate new employees, thereby increasing the need for new residential development to house those employees living in the School District. Residential school fees adopted by the School District under applicable law will also be imposed by the School District on such new residential development. To prevent new commercial/industrial development from paying the portion of impact that is mitigated by the applicable residential school fees, this amount has been calculated and deducted from the school facilities impact costs calculated in Table 14.

The residential fee offsets are first calculated by using the School District’s Level II Fee proposed in the School Facilities Needs Analysis dated January 24, 2024 and applicable to residential development (\$4.00 per square foot) and multiplying that amount by the weighted average square footage of a residential unit in the School District, which is 2,109 square feet. This calculation provides the average residential revenues from a residential unit of \$8,436 (\$4.00 x 2,109). It should be noted the Applicable Commercial/Industrial School Fees would be justified at the School District’s share of the current maximum authorized fee amounts if the Applicable Residential School Fee equal to \$3.36 per square foot is used in the calculation of the average residential revenues from a residential unit. The average residential revenues from a residential unit multiplied by Household Impacts per 1,000 square feet of commercial/industrial development, as shown in Table 12, results in the residential school fee revenues per 1,000 square feet of commercial/industrial development (“Residential Fee Offset”). This computation is shown in Table 15.

TABLE 15
Residential Fee Offsets

Commercial/Industrial Category	School District Households per 1,000 Square Feet Com./Ind.	Residential Fee Offset per 1,000 Square Feet Com./Ind.
Banks	1.5004	\$12,657
Community Shopping Center	0.8151	\$6,876
Neighborhood Shopping Center	1.4862	\$12,538
Industrial Business Parks	1.8670	\$15,750
Industrial Parks/Warehousing/Manufacturing	0.7155	\$6,036
Rental Self-Storage	0.0341	\$288
Research & Development	1.6148	\$13,622
Hospitality (Lodging)	0.6014	\$5,073
Commercial Offices (Standard)	2.5436	\$21,458
Commercial Offices (Large High Rise)	2.4132	\$20,358
Corporate Offices	1.4258	\$12,028
Medical Offices	2.2652	\$19,109

3. Net School Facilities Costs

Subtracting the Residential Fee Offset determined in Table 15 from the total school facilities costs listed in Table 14 results in the net school facilities costs per 1,000 square feet of commercial/industrial development (“Net School Facilities Costs”). The Net School Facilities Costs are listed in Table 16.

TABLE 16
Net School Facilities Costs
Per 1,000 Square Feet Commercial/Industrial Development

Commercial/Industrial Category	Total School Facilities Costs	Residential Fee Offset	Net School Facilities Costs
Banks	\$24,427	\$12,657	\$11,770
Community Shopping Center	\$13,268	\$6,876	\$6,392
Neighborhood Shopping Center	\$24,193	\$12,538	\$11,655
Industrial Business Parks	\$30,391	\$15,750	\$14,641
Industrial Parks/Warehousing/Manufacturing	\$11,648	\$6,036	\$5,612
Rental Self-Storage	\$555	\$288	\$267
Research & Development	\$26,288	\$13,622	\$12,666
Hospitality (Lodging)	\$9,791	\$5,073	\$4,718
Commercial Offices (Standard)	\$41,406	\$21,458	\$19,948
Commercial Offices (Large High Rise)	\$39,283	\$20,358	\$18,925
Corporate Offices	\$23,210	\$12,028	\$11,182
Medical Offices	\$36,875	\$19,109	\$17,766

The Net School Facilities Costs determined in Table 16 were then divided by 1,000⁶ to provide the cost impact on a square foot basis. These cost impacts are listed in Table 17.

TABLE 17
Net School Facilities Cost Impacts Per Square Foot
of Commercial/Industrial Development

Commercial/Industrial Category	Net School Facilities Cost Impacts per Square Foot
Banks	\$11.77
Community Shopping Center	\$6.39
Neighborhood Shopping Center	\$11.66
Industrial Business Parks	\$14.64
Industrial Parks/ Warehousing/Manufacturing	\$5.61
Rental Self-Storage	\$0.27
Research & Development	\$12.67
Hospitality (Lodging)	\$4.72
Commercial Offices (Standard)	\$19.95
Commercial Offices (Large High Rise)	\$18.93
Corporate Offices	\$11.18
Medical Offices	\$17.77

The net school facilities cost impacts per commercial/industrial square foot of assessable space shown in Table 17 are equal to or exceed the School District’s share of the maximum authorized statutory school fee for commercial/industrial development of \$0.55 per square foot, except for the category of Rental Self-Storage. Therefore, the School District is justified in levying school fees on commercial/industrial in amount up to but not exceeding the maximum authorized statutory fee, or the net cost impacts determined for the categories Rental Self-Storage.

D. COMMERCIAL/INDUSTRIAL DEVELOPMENT NOT IN PRESCRIBED CATEGORIES

In cases where new commercial/industrial development does not fit within the prescribed categories shown in Table 17, the School District shall evaluate such development on a case-by-case basis to determine if the imposition of the School Fees on the development meets the nexus requirements set forth under Government Code Section 66000 et seq. The School District may levy School Fees on such development in an amount up to but not exceeding the cost per square foot impact determined through such evaluation.

E. AGE-RESTRICTED (SENIOR) HOUSING

The School District must exercise discretion in determining whether a particular project qualifies as “senior citizen housing” for the purpose of imposing developer fees. (See

⁶ The Employee Generation Rates derived from the SANDAG Traffic Study are estimated per 1,000 square feet of development.

California Ranch Homes Development Co. v. San Jacinto Unified School Dist. (1993) 17 Cal.App.4th 573, 580–581.) The School District acknowledges Section 65995.1 and will levy its share of School Fees on qualifying senior citizen housing projects at the current commercial/industrial rate of \$0.55 per square foot as justified herein. The School District will require proof that such senior units are indeed restricted to seniors (i.e. a copy of the recorded CC&Rs or deed(s)) and reserves the right to revoke a Certificate of Compliance and/or require payment of difference of the amount per square foot paid to the then current amount of School Fees being levied on residential development per square foot should such CC&Rs or deed(s) be modified to allow students to reside in such the housing units. If there is any uncertainty as to whether a project qualifies as senior citizen housing or will, in fact, remain senior citizen housing beyond initial approval, the School District may wish to seek cooperation from the developer as a condition of levying the commercial/industrial School Fee rate. Such cooperation could take the form of an agreement by the developer to include a restriction in the recorded CC&Rs conditioning subsequent changes in residency requirements on the owner’s payment of applicable developer fees, and to notify the School District of changes in residency requirements and/or to provide current residency data upon School District’s request.

SECTION V. REDEVELOPMENT

Government Code Section 66001, subdivision (a)(3) and (4) requires that a school district, in imposing school-impact fees, establish a reasonable relationship between the fee's use, the need for the public facility and the type of development project on which the fee is imposed. This section addresses and sets forth general policy when considering the levy of school fees on new construction resulting from redevelopment projects within the School District.

Redevelopment means voluntarily demolishing existing residential, commercial, and/or industrial structures and subsequently replacing them with new construction ("Redevelopment"). The School District is aware of Redevelopment projects completed within the School District boundaries and anticipates similar Redevelopment projects may be completed in the next ten (10) years and beyond. School fees authorized pursuant to Education Code Section 17620 and Government Code Sections 65995 et seq. shall be levied by the School District on new construction resulting from Redevelopment projects, if there is a nexus between the School Fees being imposed and the impact of new construction on school facilities, after the impact of pre-existing development has been taken into consideration. In determining such nexus, the School District shall review, evaluate and determine on a case-by-case basis, the additional impact of the proposed new development by comparing the projected square footage, student generation and cost impacts of the proposed new units and the pre-existing residential, commercial and/or industrial development. Such analysis shall utilize the student generation rates identified in Table 3 of this Study, as applicable.

Redevelopment projects featuring a transition in commercial/industrial categorical classification (e.g. a project redeveloping a Hospitality (lodging) into Commercial office (standard) space) should be assessed based on the Applicable School Fee for the new commercial/industrial category multiplied by the total assessable space of the new commercial/industrial project in the case of a complete site redevelopment. In the case where there is a partial redevelopment, or an addition to an existing development, the Applicable School Fee should be calculated on a basis of the marginal assessable space increase multiplied by the maximum Applicable School Fee for the for the assessable space.

The School District may levy school fees, authorized under applicable law, on new units resulting from construction projects in an amount up to the additional impact cost per square foot as determined in accordance with the preceding paragraphs, but not exceeding the applicable school fees.

SECTION VI. GOVERNMENT CODE 66000

Government Code Sections 66000 *et seq.* were enacted by State Legislature in 1987. In any action establishing, increasing, or imposing a fee as a condition of approval of a development project, such as the Applicable School Fees described herein, these Government Code sections require the public agency to satisfy the following requirements:

1. Determine the purpose of the fee;
2. Identify the use to which the fee is to be put;
3. Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed;
4. Determine that there is a reasonable relationship between the need for the public facilities and the type of development project on which the fee is imposed;
5. Determine that there is a reasonable relationship between the amount of the fee and the cost, or portion of the cost of the public facility attributable to the development on which the fee is imposed; and
6. Provide an annual accounting of any portion of the fee remaining unspent or held for projects for more than five (5) years after collection.

The information set forth herein, including the information contained in the Appendices attached hereto, provide factual evidence establishing a nexus between the type of development projected to be built within the School District and the amount of Applicable School Fees levied upon such development based on the need for such Applicable School Fees. The determinations made in this Study meet the requirements of Government Code Section 66000. The findings are summarized as follows:

PURPOSE OF THE SCHOOL FEE

The Board of the School District will levy and collect school fees on new residential and commercial/industrial development to obtain funds for the construction and/or reconstruction of school facilities to accommodate students generated as a result of such development. In accordance with Education Code Section 17620, "construction or reconstruction of school facilities" **does not** include any item of expenditure for any of the following:

- i. Regular maintenance or routine repair of school buildings and facilities;
- ii. Inspection, sampling, analysis, encapsulation or removal of asbestos-containing material, except where incidental to school facilities construction or reconstruction for which the expenditure of fees or other consideration collected pursuant to Education Code Section 17620 is not prohibited; and,
- iii. Deferred maintenance as described in Education Code Section 17582.

IDENTIFY THE USE OF THE SCHOOL FEE

The School District has determined that revenues collected from Applicable School Fees imposed on residential and commercial/industrial developments will be used for the following purposes:

- i. Construction or reconstruction of school facilities required to accommodate students generated by new residential and commercial/industrial development in areas of the School District where school facilities are needed;
- ii. Construction or reconstruction of administrative and operations facilities required in response to new student growth from new development;
- iii. Acquisition or lease of property for unhoused students generated from new development;
- iv. Purchase or lease of interim and/or temporary school facilities in order to accommodate student capacity demands;
- v. Costs associated with the administration, collection, and justification for the Applicable School Fees;
- vi. Provide local funding that may be required if the School District applies for State funding through SB 50.

RELATIONSHIP BETWEEN THE USE OF THE FEE, THE NEED FOR SCHOOL FACILITIES AND THE TYPE OF DEVELOPMENT ON WHICH THE FEE IS IMPOSED

As determined in the preceding sections, adequate school facilities do not exist to accommodate students generated from new residential and commercial/industrial development in the areas of the School District where new development is anticipated. The fees imposed on such new development will be used to finance the acquisition of property and the construction and/or reconstruction of school facilities required to accommodate student enrollment growth generated by new residential and commercial/industrial development.

DETERMINATION OF THE RELATIONSHIP BETWEEN THE FEE AMOUNT AND THE SCHOOL FACILITIES COSTS ATTRIBUTABLE TO TYPE OF DEVELOPMENT ON WHICH THE FEE IS IMPOSED

The imposition of the Applicable Residential School Fee of \$3.36 per square foot of residential development is justified as the fee is equal to or below the per square foot cost impacts to provide adequate school facilities required as a result of such new residential development.

Similarly, the imposition of the Applicable Com/Ind. School Fees of \$0.55 per square foot of commercial/industrial development is justified as the fee is equal to or below the estimated per square foot net cost impact to provide adequate school facilities required as a result of such new commercial/industrial development, except for Rental Self-Storage where a School Fee of \$0.27 per square foot is justified.

ACCOUNTING PROCEDURES FOR THE FEES

The School District will deposit, invest, and expend the school fees imposed and collected on residential and commercial/industrial development in accordance with the provision of Government Code Section 66006.

APPENDIX A

COMMERCIAL/INDUSTRIAL DEVELOPMENT DESCRIPTIONS

Banks	Include small branch offices to regional offices used for banking. Properties under this category allow customers to conduct banking on-site.
Shopping Center	Broadly include regional, community and neighborhood shopping centers which sell merchandise and services to consumers. Include grocery stores, restaurants, retail centers, automotive sales.
Industrial Business Parks	Include any combination of facilities engaged in manufacturing/assembly, warehousing, and/or storage with 15% or more of the total area designated for commercial use.
Industrial Parks/ Warehousing/Manufacturing	Include any combination of facilities engaged in manufacturing/assembly, warehousing, and/or storage with limited or no commercial use (less than 15% of the total area designated for commercial use).
Rental Self-Storage	Include warehouse developments which rent small storage vaults and often termed “mini-storage”.
Research & Development	Include scientific research and development laboratories, office and/or their supporting facilities.
Hospitality (Lodging)	Include establishments which provide lodging to the general public. Lodging types include hotels, motels, resort hotels and inns. The maximum term of occupancy for establishment within this category shall not exceed 30 days.
Commercial Offices (Standard) ¹	Include general office space occupying less than 100,000 square feet with multiple tenants.
Commercial Offices (Large High Rise) ¹	Include general office space occupying 100,000 square feet and greater with multiple tenants.
Corporate Offices	An office or office building with a single tenant.
Medical Offices	Include medical offices that serve a wide range of medical needs and may include a pharmacy. Medical offices are generally operated by one or more physicians.

¹ Office space used for activities described under banks, research and development, or medical offices should be classified under those categories.

APPENDIX B FACILITIES CAPACITY UPDATE

CLASSROOM INVENTORY

Description	General Education		Non Severe	Severe	Total
	TK-6	7-8			
1. Leased State Relocatable Classrooms	-	-	-	-	-
2. Portable Classrooms Leased less than 5 years	17	-	-	-	17
3. Interim Housing Portables Leased less than 5 years	-	-	-	-	-
4. Interim Housing Portables Leased at least 5 years	-	-	-	-	-
5. Portable Classrooms Leased at least 5 years	-	-	-	-	-
6. Portable Classrooms Owned by District	310	77	-	-	387
7. Permanent Classrooms	439	131	14	5	589
Total (Lines 1 through 7)	766	208	14	5	993

DETERMINATION OF EXISTING BUILDING CAPACITY

Description	General Education		Non Severe	Severe	Total
	TK-6	7-8			
I. Total Classroom Inventory	766	208	14	5	993
II. Permanent Classrooms					589
III. Portable Classrooms					404
IV. 25% of Permanent Classrooms					147
V. Adjustment (III. Minus IV.)	208	49	-	-	257
IV. Total (I. minus V.)	558	159	14	5	736
Building Capacity¹	13,950	4,293	182	45	18,470

¹ School capacities are determined based on loading factors of 25 pupils per classroom for grades TK through 6, 27 pupils per classroom for grades 7 through 12, 9 pupils per classroom for those classified as severe, and 13 pupils per classroom for those classified as non-severe, as set forth in the California Code of Regulation, Title II, Section 1859.35.

BUILDING CAPACITY BY SCHOOL LEVELS

Description	TK-6	7-8	Total
General Education	13,950	4,293	18,243
Proration of Non-Severe Capacity	139	43	182
Proration of Severe Capacity	34	11	45
Building Capacity	14,123	4,347	18,470

APPENDIX C ENROLLMENT SUMMARY

SCHOOL NAME	ELEMENTARY							JUNIOR HIGH		TOTAL
	TK/K	1	2	3	4	5	6	7	8	
Amy B. Seibert Elementary	115	85	91	84	104	93	82			654
Berkshire Elementary	153	111	125	129	127	139	139			923
Bill L. Williams Elementary	167	123	135	124	133	142	138			962
Buena Vista Elementary	113	76	111	96	103	97	124			720
Charles H. Castle Elementary	147	108	114	102	120	123	130			844
Christa McAuliffe Elementary	100	62	68	59	74	68	91			522
Dolores S. Whitley Elementary ^[1]	152	114	108	114	125	127	131	131	90	1,092
Douglas J. Miller Elementary	162	140	141	132	151	145	139			1,010
Earl Warren Junior High								488	497	985
Fred L. Thompson Junior High								378	384	762
Highgate Elementary	149	89	97	110	81	58	62			646
Laurelglen Elementary	89	66	79	76	79	68	73			530
Leo B. Hart Elementary	137	97	89	91	95	96	108			713
Louise Sandrini Elementary	112	63	72	83	84	94	95			603
O. J. Actis Junior High								329	371	700
Old River Elementary	162	100	95	113	107	125	124			826
Panama Elementary	199	113	103	123	105	126	99			868
Ronald Reagan Elementary	120	106	110	128	132	119	128			843
Roy W. Loudon Elementary	162	102	81	115	101	113	75			749
Sing Lum Elementary	141	86	101	97	108	121	117			771
Stine Elementary	104	94	81	72	100	73	83			607
Stockdale Elementary	90	77	75	97	81	86	83			589
Stonecreek Junior High								506	506	1,012
Tevis Junior High								410	432	842
Wayne Van Horn Elementary	98	83	82	79	88	78	89			597
GRAND TOTAL	2,672	1,895	1,958	2,024	2,098	2,091	2,110	2,242	2,280	19,370

^[1] Students enrolled in grades 7-8 represent those enrolled in special education programs.

Source: School District

APPENDIX D DISTRICT-WIDE STUDENT GENERATION RATES

**TABLE D-1
Student Generation Rates**

School Level	SFD Units	MFA Units
Elementary School	0.3513	0.0741
Junior High School	0.0816	0.0139
Total	0.4329	0.0880

**TABLE D-2
Single Family Detached (SFD) Student Generation Rates**

School Level	Students Matched	SFD Units	SGR by School Level
Elementary School	995	2,832	0.3513
Junior High School	231	2,832	0.0816
Total	1,226	NA	0.4329

**TABLE D-3
Multi-Family Attached (MFA) Student Generation Rates**

School Level	Students Matched	MFA Units	SGR by School Level
Elementary School	16	216	0.0741
Junior High School	3	216	0.0139
Total	19	NA	0.0880

**TABLE D-4
Allocation of Projected Units by Residential Category**

Residential Category	Projected Units	Percentage Allocation
SFD	3,559	93.7%
MFA	241	6.3
Total	3,800	100.0%

The Blended Student Generation Rates were determined by applying the percentage allocations in Table D-4 by the Student Generation Rates shown in Table D-1, the results of which are shown in Table D-5.

**TABLE D-5
Blended Student Generation Rates**

School Level	Blended Student Generation Rate
Elementary School	0.3337
Junior High School	0.0773
Total	0.4110

APPENDIX E

ESTIMATED SCHOOL FACILITIES COSTS

TK-8 SCHOOL

I. Site Costs		\$719,760
Land Acquisition Cost	\$669,760	
Acres	16.10	
Cost per Acre ¹	\$41,600	
Appraisals	15,000	
Surveys	25,000	
Escrow/Title	10,000	
II. Planning Costs		2,399,883
Architect/Engineering Fees ²	\$2,154,000	
DSA Fees ²	204,883	
Energy Analysis	6,000	
Preliminary Tests	25,000	
Other Costs	10,000	
III. Construction Costs		43,057,200
Construction ³	\$39,330,000	
Construction Management ²	3,727,200	
IV. Tests		125,000
V. Inspection		135,000
VI. Furniture & Equipment⁴		1,242,000
VII. Contingency⁵		715,183
TOTAL ESTIMATED COST		<u><u>\$48,394,026</u></u>

¹ Assumes site cost only; estimates based on a land appraisal prepared for the School District.

² See Cost Detail Worksheet.

³ Estimated at \$475 per square foot and assumes 75 square feet per student.

⁴ Estimated at \$15 per square foot and assumes 75 square feet per student.

⁵ Sum of I. through VI. multiplied by 1.5%.